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ABSTRACT

Small schools offer many advantages and their numbers are increasing, but current funding practices often do not meet their needs. This digest suggests strategies that can help small public schools, particularly small rural schools, redress funding inequalities and get the resources they need. Three basic strategies for improving resources at small rural schools are discussed. First, small schools can increase operating funds by changing the state funding formula (increasing the basic budget). This strategy is most effective but takes the most time and requires changing many minds while working at a distance. Approaches are outlined that involve politics, advocacy, lobbying, publicity, making alliances, changing public opinion, and litigation. Second, small school administrators can look for ways to use existing resources more effectively. Volunteers can provide paraprofessional and other services, and community resources can be used to create a curriculum that uses the community as its focus. Third, small schools can seek new resources. This strategy is most effective at the local level and with benefactors familiar with the school. Some drawbacks of federal and state grants are discussed. (Contains 12 references.) (SV)

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Balance Due: Increasing Financial Resources for Small Rural Schools

Toni Haas

ERIC DIGEST

Small schools—including those in urban areas—offer many advantages and, despite beliefs to the contrary, recent studies provide some evidence that small schools can be cost effective (e.g., Stiefel, Iatarola, Fruchter, & Berne, 1998). Benefits include lower drop-out rates and higher rates of postsecondary enrollment (Funk & Bailey, 1999). Small schools also reduce harmful effects of poverty on student achievement (Howley & Bickel, 1999). Research findings now provide broad support for the common sense notion that young people learn best in intimate settings, where teachers can know how to boost each students' academic achievement, self-control, and curiosity.

Yet, small public schools have become an endangered species over the past century. The industrial mantra "bigger is better" drove consolidation efforts that eliminated thousands of small schools. School funding policies reinforced this trend and starved the remaining small schools of resources. The good news is that, like the American bald eagle, small schools are returning. They exist in every state—in urban, suburban, and rural areas. The bad news is that current funding practices do not meet their needs. This ERIC Digest suggests strategies that can help small public schools, particularly small rural schools, redress funding inequalities and get the resources they need.

Basic strategies for improving resources at small rural schools include

- increasing operating funds by changing the state funding formula (increasing the basic budget)
- using existing resources more effectively
- capturing new resources

The first strategy is most effective, but it takes the longest time and requires changing many minds while working at a distance. The second, midrange strategy is where most education leaders begin, rethinking how work is accomplished. It requires changing minds locally. The third strategy takes the shortest amount of time but holds the least promise for sustainable improvement. Regardless of differences in purpose and payoff, each strategy works best when the responsibility for securing resources is widely shared, inside and outside the school.

Increasing the State Funding

Each state funds public education by establishing a dollar amount per student for school operating expenses. This system appears fair on the surface; however, rural schools usually support essential, extensive, and expensive transportation and facility maintenance costs. When state per pupil investment is stretched over these comparatively higher costs, there are fewer dollars to invest in salaries, materials, and equipment.

Local districts are permitted to tax themselves to supplement state funding, but despite good intentions, inequities can pile up here as well. The amount of money available from local taxes depends on the local tax base and the level to which people vote to tax themselves. Another factor is the assessment value of property. Resort areas, retirement communities, and expensive second homes sit on land assessed at a higher value than agricultural land. In Vermont, for example, schools in districts with a large tax base, such as in a wealthy suburb or near a ski resort, may invest $11,000 of state and local funds in each student every year and still have a relatively low tax levy. Residents in a poorer, neighboring urban or small-town district could tax themselves more heavily (set a higher mill rate) but have as little as $2,500 invested per student. This is because their property valuations are lower. Variations among regions and states can be even more dramatic, a result of long-standing public policies. In the West, much of the land is public and generates very small payments to support schools. In much of the South, the land is planted in timber and traditionally assessed at a trifling rate.

Slow and patient work is required to create funding formulas that treat rural schools fairly. The following paragraphs outline strategies that are potent, powerful, and political.

Insist that each child, regardless of where she or he lives, deserves a high-quality education. Community members, opinion leaders, and policymakers need to be educated about this seemingly simple idea.

Demonstrate through research, testimony, and example that small schools provide good returns on education investments. For instance, evaluations based on cost per graduate rather than cost per student demonstrate that small schools are remarkably economically efficient. Publicize the fundamental cost of appropriate education, adjusting for transportation; facilities upkeep; curriculum development; and staff recruiting, retraining, and retention. Point out the effects of unfair funding formulas and hold legislators publicly accountable for all of their students.

Look for friends, not enemies, and make alliances with nonrural partners who share concerns for children. Advocates for small rural schools are most effective when they come from outside the school, in partnership with insiders. Expand the circle and include people who share similar goals and issues. Finally, unpredictable, unexpected, and unusual alliances get attention. Find ways to collaborate with urban and suburban people in statewide efforts.

Changing public opinion requires education, direct and indirect. Effective small school leaders should conduct regular workshops for education reporters and community members on the local impact of state funding formulas. The monthly newsletter *Rural Roots* reports on strategies used across the nation to increase operating budgets. Additional information can be found on the Rural School and Community Trust Web site, www.ruraledu.org.

Litigation is a last resort. Of the 22 cases in which small schools have sued states to change funding formulas, half have been decided for the plaintiffs and half for the defendants. Of the 11 cases the plaintiffs won, only four resulted in actual funding increases. Of the 11 plaintiffs who lost, funding actually increased in one instance (Verstegen, 1999).

Using Existing Resources More Effectively

All good administrators go over budgets with a keen eye for finding opportunities to save funds. The following paragraphs offer some additional suggestions.

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Community members can provide paraprofessional services on a volunteer basis (playground duty, hall monitoring, paper and test grading, library maintenance and storytelling, tutoring in a variety of areas, etc.). Since many rural areas have become retirement magnets, schools are finding new talent among people who want to connect to their adopted communities. Parents, grandparents, and older citizens are all possible contributors. To be most effective, schools need to acknowledge volunteers' contributions in meaningful and personal ways. The best programs recruit one of the volunteers to coordinate the work by building or district.

Encourage retiring teachers to volunteer to mentor new teachers. Retired teachers can offer wisdom, perspective, and time that practicing teachers may not have (Parsons, 1999). Beyond the classroom, the social aspect of many rural communities can be mysterious to many newly arrived teachers. Mentoring builds more effective and satisfied teachers, which saves money on recruitment. A more stable staff can plan long-range professional development as a cadre rather than hit-and-miss individual efforts.

Use the community as a focus of study. Challenge students to apply theoretical principles to real-life situations. Students can serve communities by acting as historians, researchers, scientists, and environmentalists. Community members can supplement classroom teaching by providing relevant instruction using the community setting. This helps the entire community view young people as competent, caring contributors. Students learn more and produce at a higher level when they feel their work matters. For hundreds of examples of this kind of work, see *Living and Learning in Rural Schools and Communities* (Rural Challenge Research and Evaluation Program, 1999). An added bonus is that community-based work can result in significantly lower textbook expenditures and increased community support for the schools.

Capturing New Resources

Applying for grants from outside sources is often the first strategy for capturing new resources; however, savvy small schools look here last. Securing grants is a short-term strategy, requires the least effort (relatively speaking), and likely will have the least impact. Although grants can provide sudden infusions of cash and accelerate action, they can distract schools from their primary purposes and divert effort from long-term sustainable improvements.

"People give from their hearts, not their wallets" is the prime rule in developing new funding sources. Small schools that are most effective in obtaining new resources begin with the people who know them best, whose hearts they have touched. They track and communicate with alumni and establish school and community foundations to provide avenues for "giving back." The following paragraphs outline some strategies for tapping into community resources.

As part of community meetings, create wish lists of school needs for current patrons and community members. Offer specific information about the contributions that the school makes to the community, that students make to community life, and that the community makes to the school. Thank benefactors profoundly, publicly, and repeatedly.

State and federal governments provide funds for specific purposes through formula grants and discretionary grants. Formula *grants*, awarded on a per-student basis, penalize small schools just as formula *funding* often does. Help your congressional staffers become familiar with the small schools in their district, the people they serve, and how small rural schools can receive a fairer share of federal grants. Remember, the Congressional representative is important, but his or her staff is essential. Helpful representatives and their staffs can oversee the design of competitions and numbers of awards made to small schools through federal procurement. This serves their present and future constituencies. ("Thank yous" from young people are powerfully motivating to legislators.)

State discretionary grants are usually made in response to proposals, but small schools seldom get their fair share of these funds. The application process can be burdensome, particularly when people are stretched across multiple responsibilities. Small schools may not have the insight or skills to produce polished, focused proposals (for assistance, see Geever & McNeill, 1997). Some states assign an internal advocate for small schools within the state department of education. This person is responsible for streamlining the proposal application process. Each state of successful awards is then analyzed to determine whether small schools have a fair share of the state's resources.

Small schools within a state, within a region, or from across the nation can develop grant proposals collaboratively and share intelligence about the grant awards process by taking turns evaluating grants. When staff and community members volunteer to evaluate grants, the insights they gain can be shared with other potential small school applicants.

Foundations are a final source of additional funds. Every nonprofit foundation is established with a specific mission. Advocates for small schools (usually staff, but also community volunteers) can learn about a foundation's mission by reading its free annual report. Foundations welcome letters of inquiry. A simple description of the school's community and student body as well as the size, scope, and nature of the request will tell the foundation whether there is a good match between its program and the school's needs. Information about foundations, including descriptions and contact information, is available through libraries. (See guides listed below by the Foundation Center, 2000; Johnson and Month, 1999; and Month, 1996.)

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